

THE FIELD OF THE FRANCHISE TAX.

It seems to be generally assumed that the State Tax bill which has become a law will work more favorably to the franchisees than the one originally passed; in that, among other things, it takes the valuation of the franchises out of the hands of the local assessors and places it in those of the State Board of Tax Commissioners.

Gov. Roosevelt gave as his reason for recommending the change that the local assessors might exercise their functions inequitably, and make their assessments in one county at a higher rate than they did in others, and the newspapers have expatiated upon the power which the original bill gave the local assessors to oversee the corporations under their jurisdiction by either compelling them to pay higher taxes than they ought to, or by blackmailing them for exemption. It is difficult to see the reasonableness of this talk. It seems to be presumed that the State officers will fix the valuation of the franchises at any less amount than the local assessors would, nor that they will be either more or less open to bribery than the local assessors. If so, either class errs on the side of overvaluation; its work can be reviewed by the courts, and if it be said that the local assessors here in New York are notoriously purchasable, whereas the State Commissioners are not, then the corporations will not be able to get their assessments reduced as they would have been under the original bill. In fact, Republican politicians confidently concede that the real defect of the original bill, in their view, consisted in the opportunity it afforded for Democratic assessors to levy upon the corporations reached by its contributions for party purposes at the price of less in assessing them. The bill, in that respect, would not have been more oppressive than it is, but the reverse.

However this may be, a more interesting subject of inquiry at present is the probable yield of the new tax, or what is the same thing, the probable extent to which it will deplete the income of the companies which will have to pay it. The estimates hitherto published, both of the value of the franchises and of the amount liable to be derived from the tax upon them, are grossly exaggerated. For example, one newspaper, the day after the original bill was passed, asserted that it would add \$1,000,000.00 to the assessed value of the real estate within this city alone, thus permitting a contribution, addition to the city debt of \$100,000.00, and relieving other property of taxes now paid by it to the amount of \$25,000,000 a year. An expert in the State Comptroller's office has not go so far as this, but still he estimates the yield of the tax in this city at \$10,000,000, and in the entire State at \$15,000,000 to \$17,000,000. This is also too much, only a little investigation is needed to show.

MATTHEW MARSHALL.

FINANCIAL AND COMMERCIAL.

New York Stock Exchange—Sales and Range of Prices on All Securities Dealt in During the Week Ending May 27, 1899.

UNITED STATES AND STATE BONDS (\$1,000s)

Open, High, Low, Close.

Sales, Name, Open, High, Low, Close.

adopt the Massachusetts rule, and arrive at the value of the franchises by taking the market value of the stocks of the companies enjoying them, deducting from it the assessed value of all their other property, and calling off per cent. of the remainder the value of the franchises, the amount would be startlingly large. Approximately, the Consolidated Gas Company's franchises are worth, on this method of estimate, \$30,000,000, those of the Brooklyn Union Company \$20,000,000, those of the New Amsterdam \$10,000,000, those of the Standard \$10,000,000, and those of the Mutual \$5,000,000. The subway privileges of the New York Gas and Electric Light, Heat and Power Company may be put down at not less than \$10,000,000, and those of the Kings County Electric Light and Power Company at \$5,000,000. The Western Union Telegraph Company uses the subways of the New York Gas and Electric Company and pays rental for them, and the American Telephone Company strings its wires from house top to house top, so that none of them will have to pay the new tax, but the amount of the franchises at any less amount than the local assessors would, nor that they will be either more or less open to bribery than the local assessors. If so, either class errs on the side of overvaluation; its work can be reviewed by the courts, and if it be said that the local assessors here in New York are notoriously purchasable, whereas the State Commissioners are not, then the corporations will not be able to get their assessments reduced as they would have been under the original bill. In fact, Republican politicians confidently concede that the real defect of the original bill, in their view, consisted in the opportunity it afforded for Democratic assessors to levy upon the corporations reached by its contributions for party purposes at the price of less in assessing them. The bill, in that respect, would not have been more oppressive than it is, but the reverse.

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